

AROA COMPLETES A\$47M PLACEMENT AND LAUNCHES A\$5M SHARE PURCHASE PLAN

HIGHLIGHTS

- US medical procedure numbers continue to reflect a positive trend supporting improved sales.
 - AROA has initiated capital raisings for greater flexibility to fund incremental investment in its US commercial operations, accelerate and broaden its R&D product pipeline and increase its cash on balance sheet.
 - AROA has successfully undertaken an oversubscribed A\$47 million placement to eligible investors at A\$1.165 per share.
 - Following completion of the placement, AROA's cash at bank will reflect a debt free position with approximately NZ\$65 million in reserves.
 - In addition, AROA is pleased to offer existing eligible shareholders the opportunity to participate in a Share Purchase Plan ('SPP') to raise up to an additional A\$5 million.
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Soft tissue regeneration company Aroa Biosurgery Limited (ASX:ARX, 'AROA' or the 'Company') is pleased to announce the successful completion of a A\$47 million placement to institutional and sophisticated investors. AROA is also pleased to announce the launch of a SPP to existing eligible shareholders, seeking to raise up to A\$5 million.

AROA CEO Brian Ward said: "We are very encouraged by the level of support investors have shown for our strategy as we look to capitalize on the significant market opportunity within our product portfolio and underpin our growth in the US, while accelerating and broadening our R&D pipeline to bring more innovative, high quality products to the market."

"Following completion of the capital raisings, we will be debt free with approximately NZ\$65m in cash reserves, and fully funded through to profitability. This puts AROA in a strong position to grow market share across our product portfolio."

"We thank our existing shareholders for their support and welcome new shareholders to the register. This investment supports our mission of 'unlocking regenerative healing for everybody'."

Placement

Under the placement, AROA will issue approximately 40.3 million new fully paid ordinary shares ('Placement'). The Placement was conducted at a fixed price of A\$1.165 per share ('Placement Price'), representing a 1.7% discount to the closing price of the Company's shares on ASX on 26 July 2021 (the last trading day prior to the trading halt to conduct the Placement), and a 4.6% discount to the 5-day VWAP of AROA shares on the ASX up to 26 July 2021.

Proceeds from the Placement (and from the SPP offer outlined below) are intended to be focused on funding incremental investment in AROA's US commercial operations and in the Company's R&D and product pipeline as well as increased cash on balance sheet.

The shares that are issued under the Placement will rank equally with existing AROA fully paid ordinary shares on issue. The new shares to be issued under the Placement will be issued within the Company's existing placement capacity under ASX Listing Rule 7.1.

Settlement of the Placement is expected to take place on Tuesday 3 August 2021 with the allotment of new shares under the Placement on Wednesday 4 August 2021. The new shares issued under the Placement are expected to start trading on the ASX on Thursday 5 August 2021.

Share Purchase Plan

Following completion of the Placement, AROA's existing eligible shareholders will be given the opportunity to subscribe for additional shares in AROA at the Placement Price of A\$1.165 per share, up to a maximum application amount of A\$15,000 per shareholder in A\$1,000 increments.

The SPP aims to raise up to A\$5 million by the issue of approximately 4.3 million shares. An eligible shareholder is any shareholder recorded on the Company's share register at 7:00pm AEST on Wednesday 28 July 2021 with a registered address in Australia or New Zealand. Participation in the SPP by eligible shareholders is optional. The SPP is not underwritten.

AROA reserves the right to close the SPP early and to scale back applications at its absolute and sole discretion should the total demand exceed A\$5 million. When determining the amount (if any) by which to scale back an SPP application, AROA may consider a number of factors, including the size of an applicant's shareholding in the Company on or after the SPP record date, the movement in shareholding between the record date and the closing date of the SPP and the date on which an application was made (with earlier applications given preference).

The terms and conditions of the SPP will be outlined in a separate SPP offer booklet ('SPP Booklet') expected to be lodged with the ASX and dispatched to eligible shareholders on or around Wednesday 4 August 2021.

The SPP Booklet and the accompanying application form will contain instructions on how to apply. Shareholders should review the SPP Booklet in full before deciding whether to participate in the SPP. New shares issued under the SPP will rank equally with existing AROA fully paid shares on issue. Shareholder approval is not required for the issue of shares under the SPP.

Indicative Timetable

The key remaining dates for the Placement and SPP are as follows:

Event	Time / Date
<i>Record Date for SPP was 7:00pm AEST Wednesday 28 July 2021</i>	
Settlement of Placement shares	Tuesday 3 August 2021
Allotment of Placement shares	Wednesday 4 August 2021
Placement shares commence trading on ASX	Thursday 5 August 2021
SPP offer period opens and SPP Booklet dispatched	Wednesday 4 August 2021
SPP offer period closes	Thursday 19 August 2021
SPP results announced	Monday 23 August 2021
Allotment of SPP shares	Wednesday 25 August 2021
SPP shares commence trading on ASX	Thursday 26 August 2021



This timetable (and each reference to a date specified in the timetable) is indicative only and AROA may, at its discretion, vary any of the above dates by lodging a revised timetable with the ASX. Further information on the capital raising will be lodged with the ASX and included on AROA's website.

Bell Potter Securities Limited and Wilsons Advisory Limited acted as joint lead managers and bookrunners for the Placement.

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Authorised on behalf of the Aroa Biosurgery Board of Directors by Brian Ward, CEO.

About Aroa Biosurgery:

Aroa Biosurgery is a soft-tissue regeneration company that develops, manufactures, sells and distributes medical and surgical products to improve healing in complex wounds and soft tissue reconstruction. Committed to 'unlocking regenerative healing for everybody', its products are developed from the Company's proprietary Aroa ECM™ technology platform, a novel extracellular matrix biomaterial derived from ovine (sheep) forestomach. Aroa's products have been used in more than four million procedures to date, with distribution into its key market of the United States by its direct sales force and its partner TELA Bio, Inc. Founded in 2008, Aroa is headquartered in Auckland, New Zealand and is listed on the Australian Securities Exchange (ASX:ARX). www.aroabio.com/

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